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TAGS: [SNAR](#) [PGOV](#) [PREL](#) [PTER](#) [EAID](#) [KJUS](#) [KCRM](#) [BL](#)

SUBJECT: CN DEMARCHE: OBAMA OPTIMISM AMIDST CN NEGATIVITY

REF: STATE 36156

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: Charge delivered the annual certification counternarcotics (CN) demarche to Vice Minister of Foreign Affairs Hugo Fernandez on April 28, 2009. Post highlighted that the legal cultivation of coca needs to be regulated, no concessions should be made to coca producers in the Chapare or Yungas areas, groups producing derivatives of cocaine and precursor chemicals should be intercepted, and work with international organizations on alternative development should continue. The GOB responded that these items were the same as the previous year, noting that the USG's "disappointing" and "non-transparent" certification process remains the same. Vice Foreign Minister Hugo Fernandez expressed optimism for discussing CN and other key bilateral issues at a high-level meeting tentatively slated for the end of May. END SUMMARY.

¶2. (C) Charge explained he hoped to discuss two items: the CN demarche and the GOB's expectations for a prospective high-level meeting discussed by Foreign Minister David Choquehuanca and Secretary of State Clinton. The Charge emphasized that the annual counter-narcotics demarche is a U.S. congressional requirement to evaluate countries on the Majors List with a high volume of narcotic production and transit. The Charge added that this notification is to ensure that certain CN initiatives are progressing.

Identifying Targets to Improve Cooperation

13. (C) The Charge said that though eradication started at the end of February this year, the results are showing that 22 hectares are being eradicated a day in the Chapare and about 2 hectares in both the Yungas and Yapacani. To show significant results, the GOB must eradicate more than 5,000 hectares annually, and preferably exceed their 2007 result of about 6,300 hectares. Charge underscored that Washington decision makers would be looking for measurable progress in CN efforts when making certification decisions. Charge said the Bolivians could show CN progress by:

--increasing eradication to keep up with increased coca plantings in both the Chapare and the Yungas;

--rejecting further concessions to coca producers;

--providing options to develop intelligence gathering in the area of interdiction, to include the possible return of Drug Enforcement Administration (DEA) in some form;

--intercepting groups that produce derivatives of cocaine and precursor chemicals;

--continuing alternative development programs with international assistance, to include international agencies, voluntary organizations, and other social associations.

--augmenting its financial investigative unit with more personnel and resources

--instituting laws against terrorist financing, money laundering, and corruption.

Options to Improve CN Intel

14. (C) The Charge emphasized the need for the GOB to develop intelligence gathering mechanisms regarding interdiction to dismantle priority target organizations (PTOs). With the expulsion of DEA and its intelligence gathering capability, the Charge explained the ability to combat these PTOs has been significantly reduced. The Charge suggested the GOB consider mechanisms to develop narcotics-related intelligence with international counterparts, possibly including the return of DEA. Charge urged the GOB to be creative.

15. (C) On the subject of a future DEA role in Bolivian CN efforts, Fernandez contested that the Bolivians could get sufficient intelligence information from Brazil, adding "the DEA does not work alone." He bluntly said it was "not realistic to think the DEA will return," presumably in any capacity. Fernandez agreed that a mechanism for consultation with other countries is necessary and that they will focus on introducing options.

GOB Tired of "Broken Record" CN Relationship

16. (C) Vice Minister Hugo Fernandez noted that the demarche seemed to show no great change from last year, characterizing our CN strategy in Bolivia as "a broken record." He stated that the Europeans want to provide CN resources and expressed a desire to take "fresh look" at CN cooperation, but that working relations with other countries still needed to be further evaluated and defined. Fernandez stated that he hoped our demarche would present a new or revamped decertification/certification process or other "fresh approach" to CN cooperation, without elaborating on what changes he had hoped for. He criticized the certification process as rigid and non-transparent, in comparison with the ostensibly more flexible European approach. To illustrate his point that the bilateral CN relationship is overly paternalistic with Bolivia in a subordinate role, Fernandez used the example of use of NAS supported helicopters used for

CN efforts, arguing that it is unreasonable for the Bolivians to require USG permission to use them. (Note: This comment likely stems from President Morales' complaint that he was denied NAS helicopter use in early 2007 to visit flood ravaged Eastern Bolivia, which was beyond the agreed-upon CN and humanitarian use of the helicopters. End Note.) Fernandez tersely suggested the United States do a "certification on itself," emphasizing the role of U.S. narcotic use in narcotics trafficking.
Population Driving Leaf Increases; Coccaleros "In Charge"

17. (C) Fernandez explained "we understand that the legal demand for coca is growing because the population is growing, and (the demand for licit) coca as a result has increased." He added that the subject of coca leaf production "belongs to the coccaleros," and that any CN policy needed their approval. Fernandez suggested we must "accept this country the way it is." Looking forward to a renegotiation of the Letter of Agreement for CN assistance, Fernandez suggested CN assistance not be coupled to coca leaf increases, but instead other (unidentified) factors and "shared objectives." Fernandez stated a new agreement must be renegotiated to continue working together. Charge explained that Washington is reviewing a draft revised version and we should hear something within a week.

Obama Optimism and Hope for DC Talks in May

18. (C) Gustavo Guzman, Special Advisor to Foreign Minister David Choquehuanca and former Ambassador to the United States, said the GOB is optimistic about working with President Obama and eager to discuss CN cooperation at a high-level meeting agreed upon by FM Choquehuanca and Secretary Clinton at the Summit of the Americas. Charge responded that our demarche should be the beginning of a conversation between the two governments and that we looked forward to hearing the GOB's concerns and ideas. The Charge explained in detail the transparency of certification process, but cautioned that Bolivia and United States would need to work together for tangible CN results to justify changing certification or ATPDEA status to Washington decision makers.

Comment

19. (C) The responses from the GOB were expected, especially on certification and the need to renegotiate the letter of agreement. Fernandez accurately identified the reality of the CN situation in Bolivia: CN policy in Bolivia is hostage to the coccalero agenda. Unlike last year's demarche, there were no clear goals or objectives relayed during this meeting. We anticipate that the GOB may not provide an immediate response to the demarche, instead waiting to address CN issues more substantively at a possible high-level bilateral meeting. END COMMENT.
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